


COUNCIL COMMUNICATION

	Number:	20-041	Meeting:	January 27, 2020
	Agenda Item:	24	Roll Call:	20-149
	Submitted by:	Benjamin R. Page, Park and Recreation Director		

AGENDA HEADING:

Requesting approval of a 1-year renewal of the Concession Agreement with Port of Des Moines, LLC for the Hub Spot.

SYNOPSIS:

Recommend approving a 1-year renewal of the Concession Agreement with the Port of Des Moines, LLC (Michael La Valle, Managing Partner and Sole Member, 1701 South Union Street, Des Moines, Iowa 50315) for the operation of the concessions of beverage and food to be offered at the Principal Riverwalk's Hub Spot.

FISCAL IMPACT:

Amount: \$33,342.00 - Estimated based on the City's averaged net revenue from 2017 (\$42,156.55), 2018 (\$34,422.03) and 2019 (\$23,447.47).

Funding Source: FY2020 Downtown Maintenance, G001 PK200225, page 164.

ADDITIONAL INFORMATION:

- The original Agreement started on April 1, 2013 and continued through December 31, 2017 with the option to renew for three (3) additional 1-year periods upon mutual agreement of parties under the same terms and conditions. This is the third and final renewal and will run through December 31, 2020.
- The City shall receive a discount of 20% on food and beverage prices for all City sponsored events. The City retains the right to use The Hub Spot for no rental fee for events.
- Port of Des Moines shall pay the City:
 - 8% of all gross revenues for sales of food and beverage, excluding catering for third parties, up to \$500,000 annually; 10% up to \$1,000,000 annually and 11.5% thereafter
 - 10% of all gross revenues for food and beverage catering to third parties
 - 50% of the use fees for rentals of The Hub Spot building and plaza
 - 50% of the third-party food and non-alcoholic beverage cart space rental/concession fee

PREVIOUS COUNCIL ACTION(S):

Date: January 28, 2019

Roll Call Number: [19-0139](#)

Action: [Renewal](#) of concession agreement with Port of Des Moines, LLC for the Hub Spot until December 31, 2019. ([Council Communication No. 19-031](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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